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Carpet Network Annual Reunion Storms Toronto

Family Feel And Atmosphere At Heart Of Success

By Sunil Taneja

TORONTO—Old Man Winter kept a lingering hold on Canada's largest and most populous city this year. At the same time, Mother Nature sent her bacterial minions into the city sending another kind of chill through its heart. Despite these, and other current events that would cause most people to rethink any sort of travel plans, close to 90% of Carpet Network's national team gathered here for the van franchisor's annual convention.

One of the most common sentiments from Carpet Network's members was how the annual gathering manages to maintain a feeling of family. Everybody in the system, from early adopters to newly minted advocates, relayed their feelings of unity and camaraderie which are continually reinforced by the yearly reunion.

Leonard Rankin, founder and president of the Mt. Laurel, N.J.-based franchisor, said the company makes a concerted effort to maintain that feel. Everything from meetings to meals are purposely organized in smaller than usual spaces to keep people mingling.

Rankin feels the smaller spaces help to avoid one of the pitfalls often found in bigger gatherings—the forming of cliques. In addition, Carpet Network's members get to know each other much better, making it easier to call on one another for help and advice whenever the need may arise.

At this year's meeting, Rankin announced the company's expansion into five new territories—Raleigh Hills, Ore.; Medford, N.J.;

Loveland, Colo.; Green Bay, Wis., and Sewell, N.J.—reinforcing its status as a franchise group with coast-to-coast coverage. The recent additions also took Carpet Network's member tally to over 40 with coverage in 18 states.

Now in its 12th year, the door-to-door retailer has also expanded its list of offerings. It now has a full range of products in each of the five major flooring categories, as well as trim and window coverings. The complete range of offerings has helped the company grow at an enviable pace. Rankin noted annual chainwide sales for the private company are not available for public knowledge, but the mobile stores average between \$500,000 and \$600,000 in sales every year.

A long-standing franchisee in Iowa claimed a double digit annual growth rate over the last few years, and the newest Carpet Network advocate in Loveland noted almost two dozen installations have been completed or confirmed since their store began rolling in the early part of March.

Considering the volume of business, Carpet Network has focused on helping its members make the best use of their time. As such, Rankin called upon former DuPont executive and time management guru, Leonard Casey to reinforce the value of having a strong business plan in place and its ability to help franchisees maximize their time and profits. Casey also detailed more specific time-management insights designed to minimize a salesperson's procrastination and maximize referrals.

Augmenting the value of these efforts, Carpet Network currently requires all franchisees have a one-year and five-year business plan in place. "It helps our members to manage their goals and improves their success rate," Rankin said.

In addition, Rankin debuted a program engineered to keep the local franchisee top-of-mind for the consumer. Created to maximize repeat and referral business, which chainwide is already at 83%, "Customers Are Forever" presents existing clients with a minimum of 19 impressions in the first year after every flooring installation. Also, the direct mail program is being administered by the corporate office at a minimal cost and effort for its members.

"Customers Are Forever prepares us for when things change," he said, despite the fact times have remained good for the company during the recent downturns in the economy. "It's something we should do in good times, even though we don't need to. In bad times, it's too late. Then we must compete with everybody."

Among the consumer trends highlighted by Rankin for his Carpet Network is another move toward cocooning. As the economic picture remains uncertain and consumers remain hesitant about traveling, he said people are seeking more safety, comfort and luxury in the home.

Accordingly, Rankin believes customers are renovating more, which in turn, expands the opportunities for Carpet Network to grow its repeat and referral business.

In order to ensure its members

make the most of these chances, the franchisor has also teamed with some of its manufacturers to offer hard surface flooring schools. Designed to enhance both product and installation knowledge, the first school is set to occur in June.

For the future, Rankin said the company will continue to grow at a moderate rate with the addition of only six to 12 franchisees annually.

"It's always been our mission to maintain slow, sustained growth," he said. "My goal is to keep our existing members happy and attrition low. We would rather draw our income from royalties than franchise sales."

Also, Rankin plans on entrenching the company more deeply into the Pittsburgh, Baltimore-Washington, D.C., and Colorado markets.

Regardless of the evolutionary changes in product mix, Rankin said, "Carpet will always remain our core business. Everything else we bring to market must complement and relate to that."

